

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 ( ISO ) W

----- 001393

R 030625Z JUL 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 2248

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E.O. 11652: N/A

TAGS: EFIN, TW

SUBJECT: RAILROAD ELECTRIFICATION

REF: A. EA/ROC WEEKLY STATUS REPORT TO EA-MR INGERSOLL,

6/20/74

B. STATE 027593

1. IN THE FOURTH ITEM OF REF A, WHICH IS CAPTIONED "RAILWAY ELECTRIFICATION IN TROUBLE?", IT IS MENTIONED THAT EXIM APPARENTLY IS INSISTING ON A 7 PERCENT RATE RATHER THAN 6 PERCENT AND A RENEGOTIATION OF THE FINANCIAL ARRANGEMENTS WHICH WERE ORIGINALLY 45 PERCENT EXIM FINANCING OF A 22.5 PERCENT GUARANTEE.

2. CONCERNING THE 6 OR 7 PERCENT IN REFTTEL B, IT WAS STATED THAT TRA WOULD HAVE TO SUBMIT ITS COMPLETED LOAN APPLICATION TO THE EXIM BANK BY FEBRUARY 28, 1974, IN ORDER TO QUALIFY FOR THE LOWER RATE. THE EMBASSY HAS A COPY OF A LETTER DATED FEBRUARY 22, 1974, FROM T.N. CHEN TO MR. DAVID B. LOW OF EXIM ENCLOSING THE LOAN APPLICATION. DID THIS IUCKAGE ARRIVE BY FEBRUARY 28? IF SO, WOULD NOT EXIM'S CONDITION BE SATISFIED AND A 6 NOT 7 PERCENT RATE BE GIVEN TRA?

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3. CONCERNING THE EXIM GUARANTEE PORTION, THE MAY 25, 1973, LETTER FROM KEARNS TO TRA STATES ON PAGE 2, E THAT EXIM WILL GUARANTEE THE REPAYMENT OF THE OTHER 40 PERCENT OF US\$64,000,000 IF "ANY LENDER OTHER THAN THE ROC OR AN AGENCY THEREOF, SO REQUESTS". THIS WOULD SEEM TO MEAN THAT EXIM IS WILLING TO OFFER A DIRECT GUARANTEE UP TO 40 PERCENT (NOT 22.5 PERCENT) PROVIDING THE GROC IS NOT ONE OF THE LENDERS.

4. THE EMBASSY IS, THEREFORE, PERPLEXED BY THE ITEM IN THE WEEKLY STATUS REPORT. WE CHECKED WITH SOUTH-EAST ENGINEERING CORPORATION'S MANAGER, MR. T.Y. HU, WHO REPORTED THAT EXIM HAD A BOARD MEETING ON THIS PROJECT LAST WEEK BUT SO FAR HE HAD NOT HEARD ANY RESULTS. UNGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INTEREST RATES, RAILROADS, ELECTRIC POWER, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TAIPEI04193  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740176-1036  
**From:** TAIPEI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740775/aaaacmtm.tel  
**Line Count:** 76  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. EA/ROC WEEKLY STATUS REPORT TO EA, -MR INGERSOLL  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12-Aug-2002 by boyleja>; APPROVED <19 FEB 2003 by shawdg>  
**Review Markings:**

Declassified/Released  
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EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RAILROAD ELECTRIFICATION  
**TAGS:** EFIN, TW, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005